



P.O. BOX 69, HEBER CITY, UTAH, 84032
PHONE: (801) 654-2821

July 2, 1971

SUBJECT: Special Directors Meeting
TIME: July 7, 1971 6:00 P.M.
WHERE: Lowe Ashton's Office
SUBJECT OF MEETING: Grand Opening and Financial Demands

Dear Directors:

The day of our opening for public ticket sales is scheduled for July 10th. We will run for about 5 days and after all the kinks are out of our operation, then have a "V.I.P." Day, hosting the Governor and all special guests who have helped us, plus the important State Government leaders and owners and newscasters of the media. This will be around the 15th. Plans must be made for this first run and the V.I.P. run.

Financial: The balance of our project, including contingency factors will leave us around \$15,000.00 short as we expected. I must add that the only way we are this close to our estimate made last February is primarily because of the material supplied by Director Bill Sweeney which has not been included in this deficit. As per our authorization from the Board last March, we are negotiating with the Bank to borrow \$20,000.00 as of July 10th, on a short term 90 day note, with each stockholder Director guaranteeing approximately 1/10th of the note amount. We are assuming that from the 10th of July through the balance of our season we will have an adequate amount of money to cover all operating costs, INCLUDING OUR INSURANCE COSTS, plus contribute considerably towards the borrowed money, and still leave us enough to last until we are public. If we do not, the chances are that you as a Director, could have to assume at least a portion of your pledge which, by the way, would increase your individual stock holdings. We are also including an invitation to all of the Stockholders to attend so that they may be all aware of the financial condition of the company, and to give some of them the option of increasing their investment in stock which would automatically decrease the company's need to borrow. Management is also proposing that in lieu of signing the money pledge on the bank note, all directors be allowed the option of increasing their stock ownership by cash if they wish.

Also, there needs to be formalized the lease option agreement on the terminal, as well as allowing various stockholders to exercise an option for

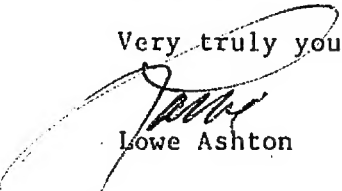
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stock for equipment or materials they are willing to furnish to the company. To date this includes the lumber material furnished by Bill Sweeney, the gantry crane paid for by Dr. Jack Boggess, and some equipment offers from other stockholders. If any stockholder is interested in this method, needed pieces of equipment include:

- Pickup truck
- Tractor with front end loader
- Crane (with rail mountings if possible)
- Air Compressor
- 18 to 45 Ton Switch Engine
- Motor Driven Speeder (or engine for our existing one)
- Various Box cars and Flat cars

If our company can exchange stock for these items, it will give our existing stockholders an opportunity to expand their equity in the company and improve the financial capacity of the company at the same time. However, the fact that a director might offer some type of equipment for stock, will not release him from the bank note guarantee. Only a cash stock purchase can do this.

Very truly yours,



Lowe Ashton

MINUTES

Wasatch Mountain Railway

July 7, 1971

6:00 P.M.

Attendance: Bill Sweeney, Dr. Jack Boggess, Del Wallengren, J.R. Edwards, Leon Ritchie, Don Hoggan, C.H. Nielson, Wes Budd, Mrs. Jess Buckner, Lowe Ashton. *on Owen excused*

Presiding: Lowe Ashton

Item # 1 Financial Position of Company

Lowe discussed the present bank balance in connection with the debts. The Company owes approximately \$18,000.00 has has three choices of how to raise the money:

1. Volunteer Stock Subscription
2. Borrow from bank
3. Directors loan to Company

In the discussion that followed, Lowe reported that he had spoken with Byron Cheever, Manager of First Security Bank, and in order for the Company to borrow \$20,000.00 each Director would have to pledge on a two for one basis. This would make each Director responsible for \$4000.00 on his share of a \$2,000.00 loan. This was the only way the bank would let the Company borrow the money.

After much discussion Del Wallengren made the motion that the Directors obligate themselves proportionately for a loan at the bank or a personal loan to the company for a combined total of \$20,000.00, both being interest bearing. Second- Bill Sweeney

After discussing the motion is was withdrawn.

Through discussion it was decided that the Board of Directors wanted to give the Company a personal loan or buy more stock but definately not borrow from the bank.

The motion was made by Bill Sweeney that the discussion be limited to obtaining \$22,000.00 by note - personal or through a bank with the option that at the end of a 90 day period high risk stock could be purchased if desired. Seconded - J.R. Edwards. Motion Withdrawn

After discussion Del Wallengren made the motion that the 11 officers and directors of the Company each loan \$2,000.00 with NO options. The note will be 9% interest bearing and due and payable by the Company in 90 days. The money is due from the Board of Directors on Monday, July 12, 1971. Motion Seconded - Don Hoggan. ALL APPROVE

Item # 2 Expansion of Capital Stock Base

All items in this catagory were deferred until legal council could be in attendance at a combined Stockholder & Board of Director Meeting to be held on July 30, 1971

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Item # 3 Opening Day

The train will begin regular summer operation on July 10, 1971 at 9:00 A.M.

Bill Sweeney made the motion that passes be allowed for volunteer workmen but the decision of who should receive them be left up to Management. Second ALL APPROVE

Smoking will be allowed on the Combine Car in the baggage section because of the dry conditions in the fields and canyon no smoking will be allowed in the open air cars.

Item # 4 Fair Days Float

It was decided that because of the time element and money involved the Company will go together with other businesses and sponsor a float.

Item # 5 V.I.P. Governor's Day

July 30, 1971 will be Governor's Day in Wasatch County as the Governor is coming to ride the train on the 12:00 Noon run. Various things are being planned in connection with the event.

Item # 6 Free Trip for Legislature

The Company has promised both the House and the Senate a free ride on the train for their help in getting the bill through Congress. Neither has set a positive date. *Legislature*

Item # 7 City Clean up

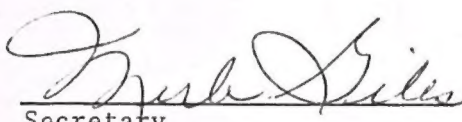
The city has promised to have some men and equipment at the depot on Thursday afternoon to help us clean the area.

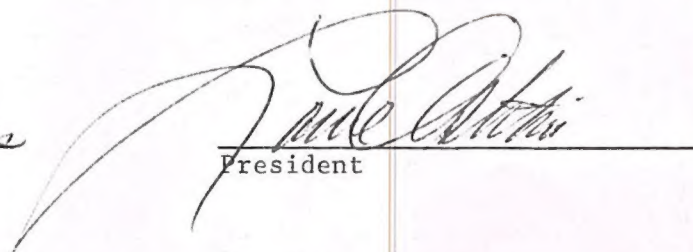
Item # 7 Stockholder Pass

Stockholders will pay full price tickets.

Assignments: Fire Extinguisher - Wes Budd
First Aid Kits - Dr. Green (Wes Budd)
Leon Ritchie - 30 folding Chairs
Del Wallengren - Posters
Bill Sweeney - Poster Delivery

The Meeting adjourned at 8:45 P.M.


Secretary


President

